

HB 1669 -- GROCERY STORES IN FOOD DESERTS TAX CREDIT

SPONSOR: Dunn

This bill creates a tax credit for full-service grocery stores located in a food desert. A food desert is a census tract that has a poverty rate of at least 20% or a median family income of less than 80% of the statewide average featuring at least 500 people or 33% of the population located at least one-half a mile from a full-service grocery store in the urban areas or 10 miles in rural areas.

A taxpayer is allowed to claim a tax credit against its state tax liability in the amount equal to 50% of the amount incurred in the construction or development of property for the purpose of establishing a full-service grocery store by the taxpayer after an initial expense of \$1 million.

The amount of the tax credit cannot exceed the amount of the taxpayer's state tax liability for the year and the taxpayer may not claim a credit more than \$2.5 million dollars per year. If the credit is more than the taxpayer's tax liability for the year, the credit may be carried over to the next three years until the full credit has been claimed.

The amount of credits authorized can not exceed \$25 million in any calendar year and can be transferred, sold or assigned.

A taxpayer must repay the credits if the taxpayer fails to complete construction of a full-service grocery store within five years or fails to operate a full-service grocery store at the same new location for at least 10 consecutive years.

The provision of the bill will expire six years from the effective date.